

## AGENDA

- I. Welcome
- II. Background
- III. Overview of Draft Proposed Regulations
  Text
- IV. Discussion and Feedback
- V. Next Steps



# **BACKGROUND**

- Program Reform Phase I
- SB 96 (Chapter 356, Statutes of 2013)
   effective September 26, 2013
- Development of regulations to conform to DORIIS mandate





## **OVERVIEW**

### Section 14553 as revised by SB 96

- **14553.** (a) All-Except as provided in subdivision (b), all reports, claims, and other information required pursuant to this division and submitted to the department shall be complete, legible, and accurate, as determined by the department by regulation, and shall be signed, by an officer, director, managing employee, or owner of the certified recycling center, processor, distributor, beverage manufacturer, container manufacturer, or other entity.
- **(b)** Notwithstanding subdivision (a), a person submitting the reports, claims, and other information specified in subdivision (a) shall use the Division of Recycling Integrated Information System (DORIIS) or other system designated by the department for reporting, making, or claiming payments, or providing other information required pursuant to this division.
- (c) The department may inspect the operations, processes, and records of any an entity required to submit a report to the department pursuant to this division to determine the accuracy of the report and compliance with the requirements of this division.

<del>(c)</del>

(d)(1) A violation of this section is subject to the penalties specified in Section 14591.1. (2) The department may take an enforcement action against a certified recycling center or processor that fails to comply with this section, including, but not limited to, imposing penalties, denying claims for payment, or terminating the certification of the certified recycling center or processor.

Change to conform with PRC 14553 DORIIS use mandate

#### **Subchapter 2. GENERAL REQUIREMENTS**

**Article 4. General Accounting Requirements** 

#### §2090 REPORTS, NOTICES AND CLAIMS SUBMITTED TO THE DIVISION

(b) In lieu of submitting information on paper forms provided by the Division, program participants may shall file designated reports, notices, claims, and other documents, electronically with the Division, where the Division has prescribed a form and manner for electronic submission of the document.



Specify which forms are required to be submitted through DORIIS

**§2090** (b) (4) The Beverage Manufacturer Report, Distributor Report, Shipping Report, Processor Invoice, and Handling Fee Application must be submitted to the Division using the Division of Recycling Integrated Information System (DORIIS).



Establishes procedures should an event occur where DORIIS is unavailable for use

§2090 (b) (5) For reports, notices, claims and other documents otherwise requiring submission through DORIIS, submission using an alternative method is acceptable if DORIIS is unavailable for use as determined by the Division. Acceptable alternative methods of reporting may include paper forms or electronic submission. The Division will provide instructions for completing the reporting process should such an event occur. An alternative method of reporting provided by the Division is acceptable if the following conditions are met:

- (A) Unless the Division has informed the public that DORIIS is unavailable for use, the reporting party must immediately inform the Division of the unavailability of DORIIS or be subject to any penalties associated with the failure to report or use DORIIS,
- (B) The use of an alternate method of reporting must be approved by the Division in writing and the alternative method must comply with instructions provided by the Division. Such approval will be on a temporary basis for that individual occurrence only and not to be considered a long term exemption.



Adds reference to newly revised PRC Section 14553(d) which provides for enforcement action against violations

§2090 (e) Failure to comply with any provision of this section, or other reporting requirements of this chapter, shall be grounds for the Division to reject or deny the report, notice or claim or take disciplinary action against the certificate holder pursuant to Section 14591.2(c) and 14553(d) of the Act. Any such rejection shall not extend any applicable time period.



Adds payment method availability for the Department's disbursement of funds

**§2095** (a) Payments to consumers shall be in cash or by check or by voucher, which is immediately redeemable for cash. All financial transactions shall be reported and recorded in currency of the United States of America ("dollars"). Where the actual transaction is made in foreign currency it shall be converted to dollars for reporting and recording at the prevailing exchange rate at the time of the payment.

(b) All payments made by the Division shall be in dollars and made by check. Additional payment methods may be used by the Division including, but not limited to, wire transfer, electronic funds transfer, or automated clearing house.



Adds options for payment methods to the Department and coverage of fees for credit card transactions

§2095 (c) All payments to the Division shall be in dollars and made by either check, draft, money order or cashier's check payable to CalRecyclethe State of California, Department of Conservation. Additional payment methods may be made available by the Division including, but not limited to, credit card, wire transfer, electronic funds transfer, or automated clearing house.

(1) A paying entity who chooses to pay by credit card shall be responsible for costs incurred by the Division to process that credit card payment. The Division shall recover those costs by charging a transaction fee to the paying entity in an amount equal to the amount assessed by the processing bank, or other third party, for the payment transaction.



Conforming changes to indicate the forms that require submission through DORIIS

#### **SUBCHAPTER 3. MANUFACTURERS**

**Article 3. Registration, Accounting and Reporting Requirements for Beverage Manufacturers** 

§2240. REPORTING.

For each month during which a processing fee applies to any beverage container material type sold or transferred by a beverage manufacturer, the appropriate beverage manufacturer, as determined by section 2230, shall prepare and submit to the Division the Beverage Manufacturer Report. Pursuant to section 2090 of these regulations, Beverage Manufacturers shall submit the Beverage Manufacturer Report using DORIIS.



Conforming changes to indicate the forms that require submission through DORIIS

#### **SUBCHAPTER 4. DISTRIBUTORS**

**Article 1. Distributor Requirements** 

§ 2310. REPORTING.

(a) A distributor shall prepare and submit to the Division the Distributor Report in accordance with the general requirements for reporting contained in section 2090 of these regulations and Section 14550 of the Act. Distributors shall submit the Distributor Report using DORIIS.



Conforming changes to indicate the forms that require submission through DORIIS

#### **SUBCHAPTER 6. RECYCLING CENTERS**

#### **Article 3. Accounting and Reporting Requirements**

§ 2530(b)(2) Pursuant to section 2090 of these regulations, recycling centers shall use DORIIS to submit all Shipping Reports.

(h) To obtain handling fees, only those recycling centers eligible for such fees, as described in section 2516, shall submit a Handling Fee Application Form (Form DR-14 (1/00)) to the Division for the calendar month for which handling fees are being claimed. Pursuant to section 2090 of these regulations, the Handling Fee Application shall be submitted using DORIIS.



Conforming changes to indicate the forms that require submission through DORIIS

#### **SUBCHAPTER 5. PROCESSORS**

**Article 3. Accounting and Reporting Requirements** 

§ 2425. REPORTING.

(a)(5) Pursuant to section 2090 of these regulations, processors shall use DORIIS to submit the Processor Invoice Report.



Clean up of form numbers to facilitate reporting through DORIIS

#### **SUBCHAPTER 6. RECYCLING CENTERS**

#### **Article 2. Handling Fees**

§ 2516. ELIGIBILITY CRITERIA. (f) A rural region recycler shall submit a separate Handling Fee Application Form (Form DR-14 (1/00)) for each convenience zone site which is combined with one or more convenience zone sites to establish eligibility for a single handling fee payment.

- § 2518. CALCULATIONS AND PAYMENTS.
- (a) The Division shall determine handling fee payments for a recycling center meeting the requirements of Section 14585 of the Act and Section 2516, above, based on data contained in the Handling Fee Application Form (Form DR-14 (1/00)) by performing the following calculations:
- § 2519. HANDLING FEE APPEALS.
- (a) (3) the canceled, original Handling Fee Application Form(s) DR-14 (1/00) and NOD(s), if this is an appeal of a denial; and,



Clean up of form numbers to facilitate reporting through DORIIS

#### **Article 3. Accounting and Reporting Requirements**

- § 2530. REPORTING.
- (h) To obtain handling fees, only those recycling centers eligible for such fees, as described in section 2516, shall submit a Handling Fee Application Form (Form DR-14 (1/00)) to the Division for the calendar month for which handling fees are being claimed. Pursuant to section 2090 of these regulations, the Handling Fee Application shall be submitted using DORIIS. The Handling Fee Application Form DR-14 (1/00) shall be submitted no later than the first day of the second month following the reporting month. Forms submitted after this date, and incorrectly completed forms, will be denied for payment and the handling fee will be forfeited for that calendar month. Forfeiture for that calendar month will not affect eligibility for subsequent months. There shall be a separate Handling Fee Application Form DR-14 (1/00) completed for each supermarket site recycling center, nonprofit convenience zone recycler, or rural region recycler which shall include all of the following information in addition to that required by section 2090 of these regulations:



## Clean up of form numbers to facilitate reporting through DORIIS

#### **SUBCHAPTER 11.5. QUALITY INCENTIVE PAYMENTS**

#### **Article 1: General Requirements**

§ 2850. QUALITY INCENTIVE PAYMENTS. (b) For empty beverage containers that meet the quality specifications, pursuant to subsection 2850(a)(1), (2), and (3), prior to completion of the Shipping Report (DR-6 (06/07)), the registered curbside program or certified entity shall be identified on the Shipping Report (DR-6 (06/07)), as specified in Sections 2425(e) or 2530(f), and the Shipping Report (DR-6 (06/07)) shall constitute the claim for the quality incentive payment.

(c) For empty beverage containers that meet the quality specifications, pursuant to subsection 2850(a)(1), (2) and (3), subsequent to the completion of the Shipping Report (DR-6 (06/07)), the processor that claims a quality incentive payment for empty beverage containers shall submit a Quality Incentive Payment Claim Form (DOR 56 (06/07)) to the Division for each calendar month in which the quality incentive payment is being claimed. To be eligible to submit a Quality Incentive Payment Claim Form (DOR 56 (06/07)), the processor that sorts and/or cleans the empty beverage container material shall submit a request and receive approval from the Division for authorization to submit claims.

# DISCUSSION AND FEEDBACK

- Review Draft Proposed Regulations Text
- Questions and Consideration of Input







# NEXT STEPS

- CalRecycle will review and analyze feedback received during this workshop for consideration in developing the proposed regulations within the next four weeks.
- CalRecycle will submit proposed regulations to the Office Administrative Law and post a notice for the 45-day public comment period.





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Your feedback must be submitted by: June 1, 2014

